



OFFICE OF FEDERAL  
PROCUREMENT POLICY

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

AUG 17 1978

Executive Registry  
78-2428

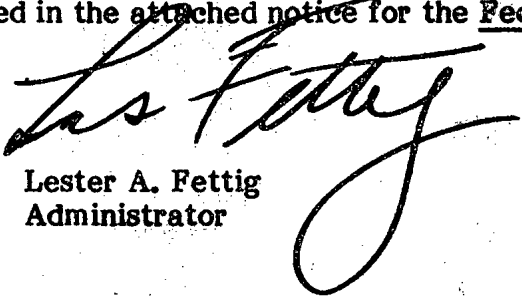
DD/A Registry  
78-3387

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

**SUBJECT:** Draft Revision of OMB Circular A-76, "Policies for Acquiring Commercial or Industrial Products and Services for Government Use"

Following a comprehensive review of OMB Circular A-76 and its implementation, a number of proposed changes to the Circular were published for comment in November 1977. The attached draft revision of the Circular was prepared to implement those proposed changes, with due consideration for the comments received.

Please review this draft and provide any comments or recommendations that you have, by October 23, 1978 as indicated in the attached notice for the Federal Register.

  
Lester A. Fettig  
Administrator

Attachment

100 52 11 20 1978

58

OL 8 4086

OFFICE OF MANAGEMENT AND BUDGET

OFFICE OF FEDERAL PROCUREMENT POLICY

Invitation for public comment.

**AGENCY:** Office of Federal Procurement Policy, Office of Management and Budget

**SUMMARY:** This proposed revision would replace OMB Circular A-76, "Policies for Acquiring Commercial or Industrial Products and Services for Government Use." It reaffirms the Government's general policy of reliance on the private sector for goods and services, while recognizing that governmental functions must be performed by Government personnel and that proper attention must be given to relative cost. More definitive guidelines are provided to ensure greater consistency and equity to all parties in the implementation of this Circular.

**DATE:** Comments must be received on or before October 23, 1978.

**ADDRESSES:** Comments should be addressed to the Administrator for Federal Procurement Policy, Office of Management and Budget, 726 Jackson Place, N.W., Washington, D.C. 20503.

**FOR FURTHER INFORMATION CONTACT:** Mr. William D. Russell, Deputy  
Assistant Administrator for Logistics  
Telephone 202/395-3327.

**SUPPLEMENTARY INFORMATION:** Under Public Law 93-400, the Administrator for Federal Procurement Policy is responsible for monitoring and revising policies,

regulations, procedures and forms relating to reliance by the Federal Government on the private sector to provide needed property and services. On June 13, 1977, the Administrator and the Director of OMB announced a comprehensive review of OMB Circular A-76 and its implementation, and solicited input and suggestions from interested parties. On November 21, 1977, a number of proposed changes to the Circular were published for comment. This draft revision of the Circular implements those changes, with consideration of the responses received.

## DISCUSSION OF PROPOSED REVISION

### Policy

The current Circular A-76 states the Government's general policy of relying on the private sector to supply its needs. The draft revision expands this policy statement to recognize that "governmental functions" must be performed by Government personnel, and that the taxpayer is entitled to economy in Government, which requires appropriate emphasis on comparative cost.

### Definitions

Circular A-76 currently defines a "new start" as any new Government commercial or industrial activity, or any significant expansion or additional capital investment in an existing activity. The draft revision would define "new start" and "expansion" separately, permitting appropriately different treatment in reviews and cost studies.

"Government commercial or industrial activity" is defined in more detail, and a representative listing of commercial and industrial activities is provided as Attachment A.

"Governmental function" is defined to clearly embrace the activities that should always be performed by Government personnel because they involve exercising a Governmental judgment. This definition is primarily limited to those functions which inherently involve value judgments, and does not include ancillary and support activities.

#### Scope

The scope of the Circular has been simplified and clarified to exclude "governmental functions" from inventory and review requirements, and also to clearly prohibit contracts which establish an employer-employee relationship between the Government and contract personnel. It also reemphasizes that agencies should not contract out for the purpose of avoiding personnel ceilings or salary limitations, and clarifies the relationship with OMB Circular A-109 and guidance on consulting services. New language more clearly states the applicability of the Circular to R&D activities. These changes should eliminate some misunderstandings and improper interpretations that have caused problems in the past.

Interagency Provision of Goods and Services

The present Circular lists services obtained from another agency as one of the exceptions to reliance on the private sector. Agency guidance was not adequate and resulted in inconsistent treatment of such arrangements. In some cases, an activity is listed by both agencies, in other cases, it is not listed or reviewed by either. In the draft revision, this coverage is placed in a separate paragraph and provides new guidance to assure proper reviews.

Circumstances Under Which the Government May Operate a Commercial or Industrial Activity

Current language has permitted this section to be very loosely interpreted and applied. Under the proposed change, coverage is simplified to provide more consistent implementation. One of the exceptions was moved to a separate paragraph and two were consolidated, leaving three circumstances to justify in-house performance: lack of a satisfactory private source, military necessity, and relative cost.

More specific guidelines are provided for determining when there is no satisfactory commercial source, including any case where use of a contract would delay or disrupt a program. The Department of Defense is developing more detailed criteria for identifying those activities that must be performed by Government personnel to maintain military readiness. Cost comparisons, which have been the focus of considerable controversy, will be covered in a new supplemental handbook. A draft of this handbook will be published for review and comment by interested parties prior to issuance.

### Cost Comparisons

Cost comparison guidelines are rather general in the present Circular, permitting a wide divergence in practice between agencies. The revised draft establishes basic principles to be followed, which will be supplemented by detailed guidance in the handbook. Significant changes in the proposed cost comparison principles, which are designed to produce greater accuracy and consistency in cost analyses, include:

- use of firm bids or proposals to establish commercial costs;
- recognition of overhead and indirect costs for Government operations;
- use of present value analysis when appropriate;
- cost differentials favoring the "status quo;" and
- a Government retirement cost factor, on a dynamic normal cost basis, of 20.4%.

### Implementation

Implementation has been the most criticized aspect of Circular A-76 since its issuance — this responsibility is assigned to the executive agencies where it has not received a high level of management attention. Several specific changes in the proposed draft are intended to promote more effective and consistent implementation. These are:

(1) Publication of an advance schedule for review of all commercial and industrial activities and service contracts suitable for Government performance;

(2) public availability of review results;

(3) a procedure for administrative review of disputed decisions.

These actions will provide a degree of visibility that should significantly enhance implementation.

CIRCULAR NO. A-76

Revised

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Policies for Acquiring Commercial or Industrial Products and Services for Government Use

1. Purpose. This Circular sets down the policies and procedures to determine whether needed commercial or industrial type work should be done by contract with private sources or in-house using Government facilities and personnel. This Circular covers all executive departments and agencies and replaces OMB Circular No. A-76, dated August 30, 1967, and all subsequent amendments.

2. Background. In a democratic free enterprise economic system, the Government should not compete with its citizens. The private enterprise system, characterized by individual freedom and initiative, is the primary source of national economic strength. In recognition of this principle, it has been and continues to be the general policy of the Government to rely on competitive private enterprise to supply the products and services it needs.

This policy has been expressed in Bureau of the Budget Bulletins issued in 1955, 1957, and 1960. In 1966, Circular A-76 was issued and, for the first time, prescribed the policy and provided implementing guidelines in a permanent directive. The Circular was revised in 1967, by Transmittal Memorandum No. 1, to clarify some provisions and to lessen the burden of work by the agencies in implementation. Transmittal Memorandum No. 2 was issued in 1976, providing additional guidance on cost comparisons and prescribing standard cost factors for Federal employee retirement and insurance benefits.

In 1977, a comprehensive review of the Circular and its implementation was initiated. Transmittal Memorandum No. 3 was issued on June 13, 1977, announcing the review and temporarily reducing the Government retirement cost factor. Comments were solicited from all interested parties, and proposed changes to the Circular were published for review and comment in November 1977.



3. Policy. This policy builds on three equally valid policy precepts:

a. Rely on the Private Sector. The Government's business is not to be in business. Where private sources are available, they should be looked to first to provide the commercial or industrial goods and services needed by the Government to act on the public's behalf.

b. Retain Certain Governmental Functions In-House. Certain functions are inherently governmental in nature, being so intimately related to the public interest as to mandate performance by Federal employees.

c. Aim for Economy; Cost Comparisons. When private performance is feasible and no overriding factors require in-house performance, the taxpayer deserves and expects the most economical performance and, therefore, rigorous comparison of contract costs versus in-house costs should be used when appropriate to decide how the work will be done.

4. Definitions. For the purposes of this Circular:

a. A "Government commercial or industrial activity" is one which is operated and managed by a Federal executive agency and which provides a product or service that could be obtained from a private source. A representative, but not comprehensive, listing of such activities is provided in Attachment A. An activity can be identified with an organization or a type of work, but

must be (1) separable from other functions so as to be suitable for performance either in-house or on contract; and (2) a regularly needed activity of an operational nature, not a one-time activity of short duration associated with support of a particular project. It also includes the facility and equipment ownership aspects of a Government-owned, contractor-operated (GOCO) facility.

b. An "expansion" is the modernization, replacement, upgrade, or expansion of a Government commercial or industrial activity involving additional capital investment of \$100,000 or more, or increasing annual operating costs by \$200,000 or more; provided, the increase exceeds 20% of the total investment or operating cost. A consolidation of two or more activities is not an "expansion" unless the proposed total capital investment or operating cost exceeds the total from the individual activities by the amount of the threshold.

c. A "conversion" is the transfer of work from a Government commercial or industrial activity to performance by a private commercial source under contract.

d. A "new start" is a newly-established Government commercial or industrial activity, including a transfer of work from contract to in-house performance.

e. A "private commercial source" is a private business or other non-Federal activity, located in the United States, its territories and possessions,

the District of Columbia, or the Commonwealth of Puerto Rico, which provides a commercial or industrial product or service required by Government agencies.

f. A "Governmental function" is a function which must be performed in-house due to a special relationship in executing governmental responsibilities. Such governmental functions can fall into several categories:

(1) Discretionary application of Government authorities, as in investigations, prosecutions and other judicial functions; in management of Government programs requiring value judgments, as in directing the national defense, selection of program priorities, and direction of Federal employees; and all regulatory responsibilities.

(2) Monetary transactions and entitlements, as in Government benefit programs and tax collection and revenue disbursements of the Government.

(3) Minimum in-house core capabilities in the area of research, development, and testing, needed for technical analysis and evaluation and technology base management. Requirements for such services beyond the minimum core capability which is justified by the agency are not considered governmental functions, however.

5. Scope.

a. No executive agency will engage in or contract for commercial or industrial activities except in accordance with the provisions of this Circular, or as otherwise provided by law.

b. The implementation provisions of this Circular do not apply to governmental functions pursuant to paragraph 4(f). These must be performed in-house by Government personnel.

c. This Circular applies to the operation of Government-owned, contractor-operated (GOCO) facilities. The policies should be incorporated into the make-or-buy procedures of the operating contractor as an agent of the executive agency.

d. Additional limitations are as follows:

(1) This Circular will not be used as authority to enter into contracts if such authority does not otherwise exist.

(2) This Circular will not be used to enter into contracts which establish an employer-employee relationship between the Government and individual contract personnel. Additional guidance on this score is found in the Federal Personnel Manual, FPM 300-8 and FPM 300-12.

(3) This Circular will not be used to justify a conversion to contract solely to meet personnel ceilings or to avoid salary limitations. When in-house performance can be justified under this Circular, but cannot be undertaken without impacting a personnel limitation, an appeal may be made to OMB for ceiling adjustment.

(4) Major system acquisitions are governed by the provisions of OMB Circular A-109, "Major System Acquisitions," dated April 5, 1976. Reliance on the private sector is one of the general policies contained in Circular A-109 to ensure competitive consideration of all alternatives before making a decision on the best method to satisfy an agency need.

(5) This Circular does not apply to consulting services of a purely advisory nature relating to the governmental functions of agency administration and management and program management. Assistance in the management area may be provided either by Government staff organizations or from private sources, as deemed appropriate by executive agencies, in accordance with executive branch guidance on use of consulting services.

(6) This Circular does not apply to contracts awarded under duly authorized set-aside programs, including small business, minority business, Indian preference, Federal prison industries, and other contract preference programs; however, activities will not be converted from in-house to contract performance except when scheduled for review in accordance with this Circular.

6. Use of Products and Services from Other Federal Agencies.

a. Excess property or services available from other Federal agencies should be used in preference to new procurements, as provided by the Federal Property and Administrative Services Act of 1949 and related regulations.

b. With respect to the use of excess capacity, the performing agency must justify operation of the Government commercial or industrial activity. Capacity should not be expanded while supporting another agency unless the total workload is reviewed and justified under the provisions of this Circular.

c. The agency considering use of excess capacity from another agency should review its needs under the Circular on a case-by-case basis. When a decision is based on a comparative cost analysis, the using agency should solicit bids or proposals to establish the commercial price. The agency with excess capacity should prepare the Government cost estimate for comparison with commercial costs.

7. Government Operation of Commercial or Industrial Activity. Government operation of a commercial or industrial activity may be authorized under one of the following conditions. In all cases, specific explanations must be documented. If the function has been performed by contract elsewhere or at another time, the justification must specify why circumstances are substantially different.

a. No Satisfactory Commercial Source Available.

(1) Before concluding that there is no commercial source available, the agency must place at least three notices over a 90-day period in the Commerce Business Daily. In the case of urgent requirements, the publication period in the Commerce Business Daily may be reduced to 30 days with two notices.

(2) Agencies' efforts to find satisfactory commercial sources, especially small and minority-owned businesses, should be supplemented by obtaining assistance from the General Services Administration, Small Business Administration, and the Domestic and International Business Administration in the Department of Commerce.

(3) Urgency by itself is not an adequate reason for starting or continuing a Government commercial or industrial activity. It must be shown that commercial sources are not able and the Government is able to provide the product or service when needed.

(4) Authorization on the basis that use of a commercial source would disrupt an agency program requires a specific documented explanation to demonstrate that contract performance would cause unacceptable program disruption.

(a) The fact that a program is classified, or part of an agency's basic mission, or that there is a possibility of a strike of contract employees is not an adequate justification of in-house performance.

(b) Disruption must be spelled out specifically in terms of cost, time and performance measures.

(c) Disruption must be shown to be of a lasting or unacceptable nature. Transitory disruption from conversions are not sufficient grounds.

b. National Defense.

(1) It may be necessary for the Government to justify a commercial or industrial activity for purposes of combat support, retraining of military personnel, or for mobilization readiness.

(2) Other detailed criteria will be developed by the Department of Defense and other agencies with a defense mission. With the approval of OMB, these criteria will be incorporated in the agency implementing instructions for this Circular.

(3) Justifications under this exception must show why commercial performance would not meet the military need.



c. Higher Cost. A Government commercial or industrial activity may be authorized if a comparative cost analysis, prepared in accordance with this Circular, indicates that the Government can provide or is providing a product or service at a cost lower than if it were obtained from a private commercial source, as spelled out below.

8. Cost Comparisons. A decision for in-house performance based on economy must be supported by a comparative cost analysis prepared in accordance with this paragraph and implementing guidance in the Cost Comparison Handbook, which will be issued as a supplement to this Circular.

a. Common Ground Rules.

(1) Both Government and commercial cost figures must be based on the same scope of work and the same level of performance. This requires the preparation of a sufficiently precise work statement with performance standards that can be monitored for either mode of performance.

(2) Standard cost factors will be used as prescribed by the Cost Comparison Handbook and as supplemented to describe particular agency operations. It will be incumbent on each agency to defend any variations in costing from one case to another.

(3) All significant Government costs must be considered, both for administering a contract and for direct Government performance, including allocation of overhead and indirect costs.

(4) The base period for the cost analysis will be keyed to the expected span of performance to guard against "buy-in" pricing on the part of contractors or Government activities. Prepriced options and subsequent recompetition should also be used to avoid a contract "buy-in." Except when the circumstances of the requirement dictate otherwise, the base period will correspond to the period of the proposed contract.

(5) Cost comparisons are to be aimed at full cost, to the maximum extent possible in all cases.

(6) Ordinarily, agencies should not incur the delay and expense of conducting cost comparison studies to justify a Government commercial or industrial activity for products or services estimated to cost the Government less than \$100,000 per year. However, if there is reason to believe that inadequate competition or other factors are causing commercial prices to be unreasonable, a cost comparison study can be conducted. Reasonable efforts should first be made to obtain satisfactory prices from existing commercial sources and to develop other competitive commercial sources.

(7) The cost comparison will use the present value cost and discount rate prescribed in OMB Circular No. A-94, "Discount Rates to be Used in Evaluating Deferred Costs and Benefits," when there are significant differences in capital investment or in the timing of outlays.

b. Calculating Contractor Costs. The commercial cost figure must be based on a firm bid or proposal, solicited in accordance with pertinent procurement regulations. Bidders must be told that an in-house cost estimate is being developed and that a contract may or may not result, depending on the comparative cost of the alternatives.

c. Calculating Costs of Government Operation.

(1) Each agency should assure that Government operations are organized and staffed for the most efficient performance. To the extent practical and in accordance with agency manpower and personnel regulations, agencies should schedule reviews under this Circular with internal reorganizations for accomplishing the work most efficiently.

(2) The Government cost factor for Federal employee retirement benefits, based on a dynamic normal cost projection for the Civil Service Retirement Fund, will be 20.4%.

(3) The Government cost factor for Federal employee insurance (life and health) benefits, based on actual cost, will be 4%.

d. An existing in-house activity will not be converted to contract performance on the basis of economy unless it will result in savings of at least 10% of the estimated Government personnel costs.

e. A "new start" will not be approved on the basis of economy unless it will result in savings compared to contract performance at least equal to 10% of Government personnel costs, plus 25% of equipment and facility costs.

f. All cost comparisons must be reviewed by an activity independent of the cost analysis preparation to ensure conformance to the instructions in the Cost Comparison Handbook.

9. Administering the Policy.

a. Implementation.

(1) Each agency will designate an official at the assistant secretary level or equivalent to have overall responsibility for implementation within the agency, along with subordinate contact points for major components.

(2) Each agency will establish one or more offices as central points of contact to maintain cognizance of specific implementation actions. These offices will have access to all decision documents and data pertinent to actions taken under the Circular and respond, in a timely manner, to all requests concerning inventories, schedules, reviews, and results of reviews.

(3) Within 60 days after the date of this Circular, each agency will prepare and issue implementing regulations, identifying the designated official and the central and subordinate contact points. When issued, copies will be forwarded to OMB's Office of Federal Procurement Policy for review. Copies of subsequent changes will also be forwarded for review.

(4) Each agency will recognize that work for the Federal Government may be performed by use of military personnel, in-service civilian employees, and contract services, and that past experience demonstrates that all three methods have been responsive and dependable in accomplishing sensitive and important work.

(5) Each agency will ensure that contracts awarded as a result of reviews under Circular A-76:

(a) contain all applicable clauses and provisions related to equal employment opportunities, veterans' preference, and minimum wages and fringe benefits;

(b) include a provision that the contractor will give Federal employees, displaced as a result of the conversion to contract performance, the right of first refusal for employment openings on the contract in positions for which they are qualified;

(c) are awarded to a responsible and responsive bidder, as established under pertinent procurement regulations; and

(d) are administered and monitored to achieve proper performance, using appropriate contractual remedies any time that performance is less than satisfactory.

(6) Each agency will exert maximum effort to find suitable employment for any displaced Federal employees, including:

(a) giving priority consideration for suitable positions with the Government;

(b) paying reasonable costs for training and relocation which will contribute directly to placement;

(c) Arranging for gradual transition when conversions are made to provide greater opportunity for attrition and placement; and

(d) coordinating with the Department of Labor and other agencies to obtain private sector employment for separated workers.

b. Inventories. Each agency will immediately compile a complete inventory of all commercial and industrial activities subject to this Circular.

(1) Agencies will prepare and maintain a complete inventory of all individual commercial or industrial activities (as defined in paragraph 4.a.), with a capital investment of \$50,000 or more, or annual operating costs of \$100,000 or more, which they operate. In addition to general descriptive information, the inventory should include for each activity: the amount of the Government's capital investment, the annual cost of operation, the date the activity

was last reviewed, and the basis on which the activity is being continued under this Circular. The inventory will be updated to reflect the results of each review as conducted.

(2) Agencies will also prepare and maintain an inventory of all contracts in excess of \$100,000 annually, except those awarded under a duly authorized set aside program, for services which could reasonably be performed in-house, including any activities that have been converted from in-house to contract performance. In addition to general descriptive information, the inventory will include: the contract number, name of the contractor, contract period, period of any options, and the total contract price or estimated cost. This inventory will be updated to reflect exercise of options and the termination and award of contracts.

cc. Reviews. Agencies will prepare a detailed schedule for the review of each commercial or industrial activity and contract in the inventory to determine if the continued operation is in accordance with the policy and guidelines of this Circular.

(1) The schedule for review of in-house commercial and industrial activities will provide for review of all activities during the three year period following issuance of this revised Circular. Consideration should be given first to criteria that do not concern cost. Unless continuation is justified under paragraphs 7.a. or b., or the requirement is set aside under a duly authorized contract

program, a cost comparison must be conducted to determine the relative cost of Government and private performance.

(2) The schedule for review of contracts will show the date that each contract (including options) will expire, and the date that the requirement will be reviewed to determine if commercial performance is to be continued. The agency will review the contract cost and determine whether it is likely that the work can be performed in-house at a cost that is less than contract performance by 10% of Government personnel costs plus 25% of equipment and facility costs. When this is determined to be likely, a cost comparison will be conducted.

(3) Both schedules will be completed and provided to the Office of Federal Procurement Policy, OMB, within 60 days of issuance of this Circular. These schedules will be made available by the agency to all potentially affected employees and their representatives, and published for the information of contractors.

(4) Reviews will be conducted in accordance with the schedules, unless it is determined that a change in the schedule will be in the best interest of the Government. In such cases, when approved by the agency head or his designee, the schedule can be revised with 60 days notice to all affected parties.



(5) After the initial review, activities approved for continuation will be reviewed again at least once every five years. When it is determined by the agency head or his designee that the circumstances which supported the initial approval are not subject to change, subsequent reviews may be waived. These activities will be retained in the inventory, however, and so identified. A copy of the justification and the waiver will be made available to all interested parties upon request to the agency contact point.

(6) When a proposed expansion, modernization, or upgrade exceeds the threshold for capital investment or operating costs, it will be reviewed as though it were a scheduled review of an existing activity. At least 60 days notice will be given to all affected parties.

(7) When the number of commercial and industrial activities and the number of covered contracts is so great that reviews cannot be completed in the prescribed time period, the agency may request approval from the Office of Federal Procurement Policy, OMB, to schedule the reviews over a longer period.

d. New Starts.

(1) A new start should not be initiated by an executive agency unless the justification for establishing the activity under the provisions of this Circular has been reviewed and approved by a senior official of the agency. A new start which involves a capital investment or annual costs of \$500,000

or more must be approved by the agency head or by an official at the assistant secretary or equivalent level.

(2) The actions to be taken under this Circular should be completed before the agency's budget request is submitted to OMB. Data in support of such budget requests will be submitted in accordance with OMB Circular No. A-11.

(3) When Government ownership of facilities is necessary, the possibility of contract operation must be considered before in-house performance is approved as a new start. If justification of Government operation is dependent on relative cost, the comparative cost decision may be delayed to accommodate the lead time necessary for acquiring the facilities.

10. Appeals.

a. Each agency will establish a procedure for an informal administrative review of determinations made under this Circular. Upon written request from a directly affected party raising a specific objection the appeals procedure will provide for:

(1) An independent, objective review of the initial determination and the rationale upon which the decision was based.

(2) An expeditious determination, within 30 days, made by an official at the same or a higher level than the official who approved the original decision.

b. The appeals procedure is to provide an administrative safeguard to assure that agency decisions are fair, equitable, and in accordance with established policy. The procedure does not authorize an appeal outside the agency or a judicial review.

c. Since the appeal procedure is intended to protect the rights of all parties — Federal employees and their representative organizations, contractors and potential contractors, and contract employees and their representatives — it cannot be subject to negotiation, arbitration, or agreements with any one of those parties. Agency decisions are final.

d. Agency appeal procedures, when issued, will also be submitted to OFPP for review pursuant to paragraph 9.a.3.

11. Effective date.

This Circular is effective \_\_\_\_\_.

Questions or inquiries about this Circular or its implementation should be addressed to the Office of Federal Procurement Policy, OMB, telephone number (202) 395-3327.

## ATTACHMENT A

### EXAMPLES OF COMMERCIAL AND INDUSTRIAL ACTIVITIES

#### Audiovisual Products and Services

- Photography (still, movie, aerial, etc.)
- Photographic processing (developing, printing, enlarging, etc.)
- Film and videotape production (script writing, direction, animation, editing, acting, etc.)
- Microfilming and other microforms
- Art and graphics services
- Distribution of audiovisual materials

#### Automatic Data Processing

- ADP services — batch processing, time-sharing, etc.
- Programming and systems analysis, design, development, and simulation
- Key punching and data entry services
- Systems engineering and installation
- Equipment installation, operation, and maintenance

#### Maintenance, Overhaul, and Repair

- Aircraft and aircraft components
- Ships, boats, and components
- Motor vehicles
- Combat vehicles
- Railway systems
- Electronic equipment and systems
- Weapons and weapon systems
- Medical and dental equipment
- Office furniture and equipment
- Industrial plant equipment
- Photographic equipment
- Space systems

#### Systems Engineering, Installation, Operation, and Maintenance

- Communications systems — voice, message, data; radio, wire, microwave, and satellite
- Missile ranges
- Satellite tracking and data acquisition
- Radar detection and tracking
- Television systems — studio and transmission equipment, distribution systems, receivers, antennas, etc.
- Recreational areas
- Bulk storage facilities

Manufacturing, Fabrication, Processing, and Packaging

- Ordnance equipment
- Clothing and fabric products
- Liquid, gaseous, and chemical products
- Logging and lumber products
- Communications and electronics equipment
- Rubber and plastic products
- Optical and related products
- Sheet metal and foundry products
- Machined products
- Construction materials
- Test and instrumentation equipment

Real Property

- Design, engineering, construction, modification, repair, and maintenance of buildings and structures
- Construction, alteration, repair, and maintenance of roads and other surfaced areas
- Landscaping, drainage, mowing and care of grounds

Industrial Shops and Services

- Machine, carpentry, electrical and other shops
- Industrial gas production and recharging
- Equipment and instrument fabrication, repair and calibration
- Plumbing, heating, electrical, and air conditioning services, including repair
- Fire protection and prevention services
- Custodial and janitorial services
- Refuse collection and processing

Health Services

- Surgical, medical, dental, and psychiatric care
- Hospitalization, outpatient, and nursing care
- Physical examinations
- Eye and hearing examinations — manufacturing and fitting glasses and hearing aids
- Medical and dental laboratories
- Dispensaries
- Preventive medicine
- Dietary services
- Veterinary services

Transportation

Operation of motor pools  
Bus service  
Vehicle operation  
Air transportation  
Water transportation  
Trucking and hauling

Printing and Reproduction

Printing and binding  
Reproduction, copying, and duplication  
Blue-printing

Research and Development

Basic research  
Applied research  
Development  
Concept formulation and demonstration  
R&D studies  
R&D testing

Office Services

Stenographic recording and transcribing  
Word processing/data entry  
Mail/messenger  
Translation  
Information systems and distribution  
Financial auditing and services  
Management auditing -

Security

Guard and protective services  
Systems engineering, installation, and maintenance of security systems  
and individual privacy systems  
Forensic laboratories

Food Services

Operation of cafeterias, mess halls, kitchens, bakeries, dairies,  
and commissaries  
Vending machines  
Ice and water

Other Services

- Laundry and dry cleaning
- Library operation
- Mapping and charting
- Architect and engineer services
- Geological surveys
- Cataloging
- Training (academic, technical, vocational, and specialized)
- Operation of utility systems (power, gas, water, steam, and sewage)

Aug 24 2 45 PM '79  
E R

UNCLASSIFIED		CONFIDENTIAL		SECRET	
<b>OFFICIAL ROUTING SLIP</b>					
TO	NAME AND ADDRESS		DATE	INITIALS	
1	EO/DDA		8/25	[Signature]	
2					
3					
4					
5	D/OL		9/5/75	[Signature]	
6	O/Cmpt				
ACTION		DIRECT REPLY		PREPARE REPLY	
APPROVAL		DISPATCH		RECOMMENDATION	
COMMENT		FILE		RETURN	
CONCURRENCE		INFORMATION		SIGNATURE	
<b>Remarks:</b> <p style="text-align: center;">Dave:</p> <p>Per our conversation last week action has been transferred to O/Cmpt. you have attachment. Am preparing memo we discussed.</p>					
FOLD HERE TO RETURN TO SENDER					
FROM: NAME, ADDRESS AND PHONE NO.					DATE
OL/AMS					

STAT



## EXECUTIVE SECRETARIAT (O/DCI)

## Routing Slip

TO:		ACTION	INFO	DATE	INITIAL
1	DCI				
2	DDCI				
3	DD/RM				
4	DD/NFA				
5	DD/CT				
6	DD/A	✓			
7	DD/O				
8	DD/S&T				
9	GC				
10	LC				
11	IG				
12	Compt		✓ w/o attachment		
13	D/PA				
14	D/EEO				
15	D/Pers				
16	AO/DCI				
17	C/IPS				
18					
19					
20					
21					
22					
SUSPENSE DATE:					

Remarks:

To 6: For direct response.

STAT

Executive Secretary